

**Amendment Four to the Contract for the Design, Implementation, Operation
and Maintenance of the Regional Fare Coordination System**

This Amendment Four to the Contract for the Design, Implementation, Operation and Maintenance of the Regional Fare Coordination System is entered into this 24th day of May, 2004, by and between ERG Transit Systems (USA) Inc, a California corporation and wholly owned subsidiary of ERG Limited, an Australian corporation, (hereinafter referred to as the "Contractor") and each of the following seven public transportation agencies (hereinafter referred to individually as an "Agency" or collectively as the "Agencies"):

1. Central Puget Sound Regional Transit Authority ("Sound Transit")
2. King County ("King County")
3. Kitsap County Public Transportation Benefit Area ("Kitsap Transit")
4. Pierce County Public Transportation Benefit Area ("Pierce Transit")
5. Snohomish County Public Transportation Benefit Area ("Community Transit")
6. City of Everett ("Everett")
7. State of Washington, acting through the Washington State Department of Transportation, Washington State Ferries Division ("WSF")

Recitals

- A. Effective April 29, 2003, each of the Agencies and the Contractor entered into Contract #229944 ("Contract") to implement a Regional Fare Coordination System ("RFC System") to establish a common fare system utilizing smart card technology. The Contractor is responsible for the development, implementation, operation and maintenance of the RFC System as specified in the Contract.
- B. The Contract requires the Contractor to provide an irrevocable letter of credit in the amount of two million dollars (\$2,000,000) which shall be maintained in effect until the earlier of (a) 12 months after the date of Full System Acceptance, or (b) 24 complete months after the commencement of Beneficial Use Status. If the Contractor fails to provide such letter of credit, the Agencies are entitled to commence retaining amounts due the Contractor up to the total amount of the required letter of credit.
- C. The Contractor has notified the Agencies that it will not provide the required two million dollar (\$2,000,000) letter of credit, therefore the Agencies have

commenced retention of two million dollars (\$2,000,000) that would otherwise be payable to the Contractor.

- D. The Agencies and the Contractor desire to enter into this Amendment Four to clarify that such retainage amount is intended as additional security for the performance of the Contractor's obligations and is not considered to be created pursuant to or required by law.

In consideration of the mutual covenants contained herein and in the Contract, the sufficiency of which is hereby acknowledged, each Agency and the Contractor hereby agree to amend the Contract as follows:

Section 1.0

Section 3.1-80.7 of the Contract is hereby amended to read as follows:

80.7 Legal Effect of Security Documents

The Security Documents or retainage amount shall serve as additional security for the performance of the Contractor's obligations, and in no event should the existence of the Security Documents or retainage amount be construed to cap, liquidate or otherwise modify or limit the amount of damages payable by the Contractor hereunder or the Guarantor under the Guaranty. Further, the Parties agree that any retainage amounts shall not be considered to be created pursuant to or required by any statute including, but not limited to, Chapter 60.28 RCW.

Section 2.0

All other provisions of the Contract not referenced in this Amendment Four shall remain in effect.

IN WITNESS WHEREOF, authorized representatives of the Agencies and the Contractor have signed their names in the spaces provided below.

**Central Puget Sound Regional Transit
Authority
("Sound Transit")**

**Snohomish County Public
Transportation Benefit Area**

Joni Earl, Chief Executive Officer

Joyce F. Olson, Chief Executive Officer

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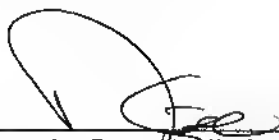
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Joyce F. Olson, Chief Executive Officer

King County



Darwin Campbell, Acting Transit General
Manager

**Kitsap County Public Transportation
Benefit Area**

Richard M. Hayes, Executive Director

**Pierce County Public Transportation
Benefit Area**

City of Everett

Don S. Monroe, Chief Executive Officer

Ray Stephanson, Mayor,
or by his designee Paul J. Kaftanski,
Director of Transportation Services

**Washington State Ferries, Washington
State Department of Transportation**

Mike Thorne
Director, Chief Executive Officer

ERG Transit Systems (USA) Inc.

By: 
Mike C. Nash
Regional Managing Director

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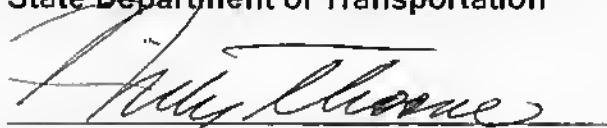
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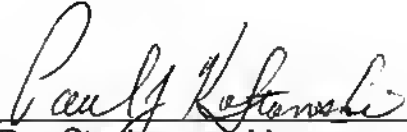
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